

Instrument prepared by:

VIRGINIA GAS AND OIL BOARD

Order recorded under:

CODE OF VIRGINIA

§ 45.1-361.26

BEFORE THE VIRGINIA GAS AND OIL BOARD

**RELIEF
SOUGHT:**

An Order for Disbursement of Escrowed Funds
(and Authorization for Direct Payment of Royalties)

JURISDICTION:

Code of Virginia § 45.1-351. (et seq) AND § 45.1-361.22 (et seq) AND § 45.1-361.22:2

UNIT/WELL NAME: VC-508899

TRACT(S): 1

LOCATION: BUCHANAN County, Virginia

DOCKET NUMBER: VGOB-02-0115-1000-02

APPLICANTS:

EQT Production Company on behalf of Derek B & Anne Rogers, Gregory & Karen Poulos,
Jason Poulos, Kevin H & Katherine Rogers, Pamela Poulos, Shaun D Roger & Nadline Davey
Rogers, Talmage G Rogers III & Tracey Rogers

HEARING DATE AND LOCATION:

Russell County Government Center, Lebanon, Virginia
January 19, 2016

APPEARANCES: James Kaiser on behalf of EQT Production Company

PRIOR PROCEEDINGS:

1. Original Pooling Order Executed 02/08/2002, Recorded on 02/14/2002, Deed Book/Instrument No. 540, Page 494.
2. Disbursement Order -01 Executed 04/16/2002, Recorded on 04/22/2002, Deed Book/Instrument No. 544, Page 803.
3. Supplemental Order Executed 08/04/2003, Recorded on 08/15/2003, Deed Book/Instrument No. 575, Page 521.

NOTICE:

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The Unit Operator gave notice to the Applicants that the Board would consider its disbursement petition at the January 19, 2016 hearing and considered whether to:

- (1) Amend the Pooling Order to provide for the disbursement of funds on deposit in the Escrow Account attributable to Tract(s) 1 identified in the attached petition.
- (2) Delete the requirement that the Unit Operator place future royalties attributable to Tract(s) 1 relative to the interests of the Applicants identified in the attached petition.
- (3) Close the escrow account under this docket number.

FINDINGS: Code of Virginia § 45.1-361.22 AND § 45.1-361.22:2

Applicant has certified and represented to the Board that:

Plaintiffs were conflicting claimants with regards to Tract 1 as created by VGOB 02/01/15-1000. To resolve this conflict, Buchanan County Circuit Court Order, Case No. 550-13, dated July 10, 2014, is attached hereto.

RELIEF GRANTED:

VGOB Disbursement
Unit VC-508899

VGOB-02-0115-1000-02

Table 1

Tracts: 1

Item	Tract	Disbursement Table	Fractional Ownership	Net Acreage Ownership	Royalty Split	Escrowed Acres	Percent of Escrowed Funds
			in Tract	in Tract	Agreement	Disbursed	Disbursed
		Total acreage in escrow before disbursement				11.71250	
1 Tract 1 (total acreage)			46.85				
1	1	Gregory & Karen Poulos\1894 Glenwood St NE, Palm Bay, FL 32907		1.9521	100.00%	1.9521	16.6668%
2	1	Jason Poulos\10870 SW 9th Street, Miami, FL 33176		1.9521	100.00%	1.9521	16.6668%
3	1	Pamela Poulos\5000 SW 83rd St, Miami, FL 33143-8510		1.9521	100.00%	1.9521	16.6668%
4	1	Talmage G Rogers III & Tracey Rogers\3014 Shalford Lane, Matthews, NC 28104-6879		1.4641	100.00%	1.4641	12.5003%
5	1	Shaun D Roger & Nadine Davey Rogers\121 NE 100th St, Miami Shores, FL 33128		1.4641	100.00%	1.4641	12.5003%

1		Tract 1 (total acreage)					46.85	
6	1	Kevin H & Katherine Rogers\139 Wickham Road, Garden City, NY 11530			1.4640	100.00%	1.4640	12.4995%
1		Tract 1 (total acreage)					46.85	
1	1	Derek B & Anne Rogers\2300 Carmel Road, Charlotte, NC 28226-6323			1.4640	100.00%	1.4640	12.4995%

1. The Escrow Agent is ordered, to within ten (10) days of receipt of this executed order, disburse funds for the unit and applicants detailed in Table 1.

2. The Escrow Agent is ordered to close the Escrow Account for the Subject Drilling unit based on the attached Revised Exhibit E which replaces all prior Exhibit E's recorded for the Subject Drilling Unit.

CONCLUSION:


Therefore, the requested relief and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.

APPEALS:

Appeals of this Order are governed by the provisions of the Code of Virginia § 45.1-361.9 which provides that any order or decision of the Board may be appealed to the appropriate circuit court and that whenever a coal owner, coal operator, gas owner, gas operator, or operator of a gas storage field certificated by the State Corporation Commission is a party in such action, the court shall hear such appeal de novo.

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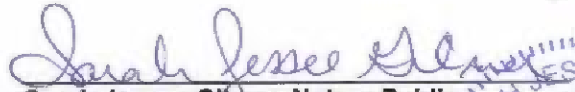
DONE AND EXECUTED this 21 day of January, 2016 by a majority of the Virginia Gas and Oil Board.



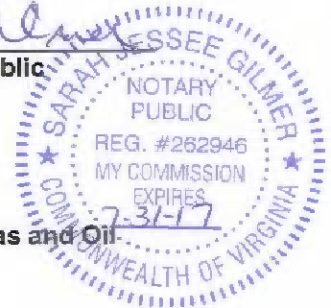
Chairman, Bradley C. Lambert

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 21st day of January, 2016, personally before me a notary public in and for the Commonwealth of Virginia, appeared Bradley C. Lambert, being duly sworn did depose and say that he is the Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.



Sarah Jessee Gilmer, Notary Public
262946



My Commission expires: July 31, 2017

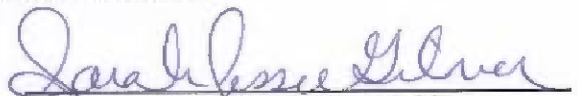
DONE AND PERFORMED this 25 day of January, 2016 by Order of the Virginia Gas and Oil Board.



Rick Cooper
Principal Executive to the
staff, Virginia Gas and Oil Board

COMMONWEALTH OF VIRGINIA
COUNTY OF RUSSELL

Acknowledged on this 25th day of January, 2016, personally before me a notary public in and for the Commonwealth of Virginia, appeared Rick Cooper, being duly sworn did depose and say that he is the Principal Executive to the staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.



Sarah Jessee Gilmer, Notary Public
262946



My Commission expires: July 31, 2017

BEFORE THE VIRGINIA GAS AND OIL BOARD**PETITIONER:** EQT Production Company**DIVISION OF GAS AND OIL****DOCKET NO:** VGOB 02-0115-1000-02**RELIEF SOUGHT: (1) DISBURSEMENT FROM ESCROW REGARDING TRACT(S) 1 (2) AND
AUTHORIZATION FOR DIRECT PAYMENT OF ROYALTIES****HEARING DATE:** August 18, 2015**DRILLING UNIT:** VC-508899**BUCHANAN COUNTY, VIRGINIA****PETITION FOR ORDER OF DISBURSEMENT OF ESCROW FUNDS****1. Petitioner and its counsel**

Petitioner is EQT Production Company, 625 Liberty Avenue, EQT Plaza, Suite 1700, Pittsburgh, PA 15222, 412-395-3921. Petitioner's counsel is James Kaiser, Wilhoit and Kaiser Law Firm, 220 Broad Street, Suite 210, Kingsport, TN 37660.

2. Relief Sought

Petition for disbursement of funds and authorization for direct payment on behalf of the known owners on Tract 1 on Well VC-508899, VGOB 02/01/15-1000.

3. Legal Authority

Va. Code Ann. § 45.1-361.1 et seq., 4 VAC 25-160-140., and relevant Virginia Gas and Oil Board Orders ("Board") heretofore promulgated pursuant to law.

4. Type of Well(s)

Coalbed Methane

5. Factual basis for relief requested

Plaintiffs were conflicting claimants with regards to Tract 1 as created by VGOB 02/01/15-1000. To resolve this conflict, Buchanan County Circuit Court Order, Case No. 550-13, dated July 10, 2014, is attached hereto.

6. Attestation

The foregoing Petition to the best of my knowledge, information, and belief is true and correct.

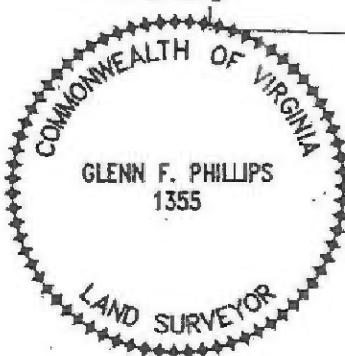
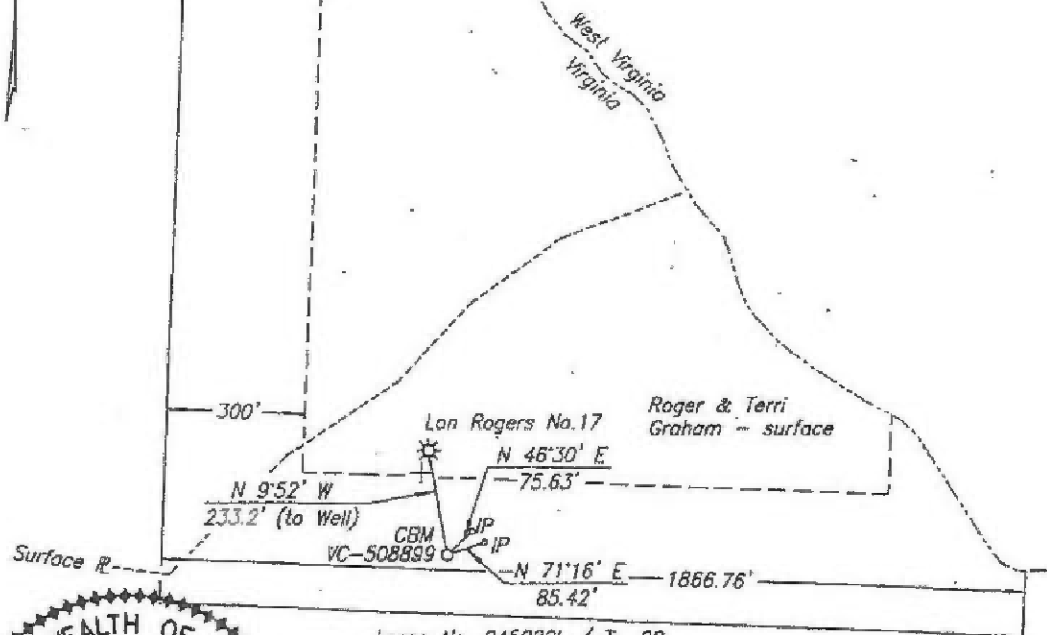
9,570'

Latitude 37° 20' 00"

Longitude 81° 50' 00"

10,120'

Lease No. 241490L
 Clinchfield Coal Company /
 Pyxis Resources Company - coal (80% int.)
 Pine Mountain Oil & Gas, Inc. - oil & gas (80% int.)
 Lease No. 009070
 Plum Creek Timber Company - coal, oil & gas (20% int.)
 Equitable Production Co. - 100% lease in 20% int. oil & gas
 Highland Resources, Inc. - 50% lease in 20% int. CBM gas only
 Geo Mat Operating, Inc. - 50% lease in 20% int. CBM gas only
 3771 Acres
 Gas 4.34 Ac. 8.48%



Lease No. 245280L / Tr. 22
 Lon B. Rogers Bradshaw Trust -
 oil & gas (75% int.), coal
 Consol Energy Inc. - coal leasee (below Tiller Seam)
 Jewell Ridge Coal Co. - coal leasee (Tiller Seam and above)
 Jewell Smokeless Coal Corp. - sub-leasee (Tiller Seam and above)
 Talmage G. Rogers III, et al -
 oil & gas (25% int.)
 208.0 Ac.
 Gas 46.85 Ac. 91.52%

Well Coordinates: (VA St. Plane S. Zone,
 NAD 27, calculated from NAD 83 coord.)
 N 371,412 E 1,021,119

Well Coordinates: (VA St. Plane S. Zone,
 NAD 83)
 N 3,652,292.06 E 10,504,107.62

Well elevation determined by GPS
 survey from HARN Sta. GAP AZMK

Area of Unit = 51.19 Ac.

WELL LOCATION PLAT

COMPANY Equitable Production Company WELL NAME AND NUMBER VC-508899
 TRACT NO. 22 ELEVATION 2401.99 QUADRANGLE Bradshaw
 COUNTY Buchanan DISTRICT Garden SCALE 1" = 400' DATE 2-11-2002

This Plat is a new plat x; an updated plat ; or a final location plat

+ Denotes the location of a well on United States topographic Maps, scale 1 to 24,000, latitude and longitude lines being represented by border lines as shown.

Glenn F. Phillips

Licensed Professional Engineer or Licensed Land Surveyor

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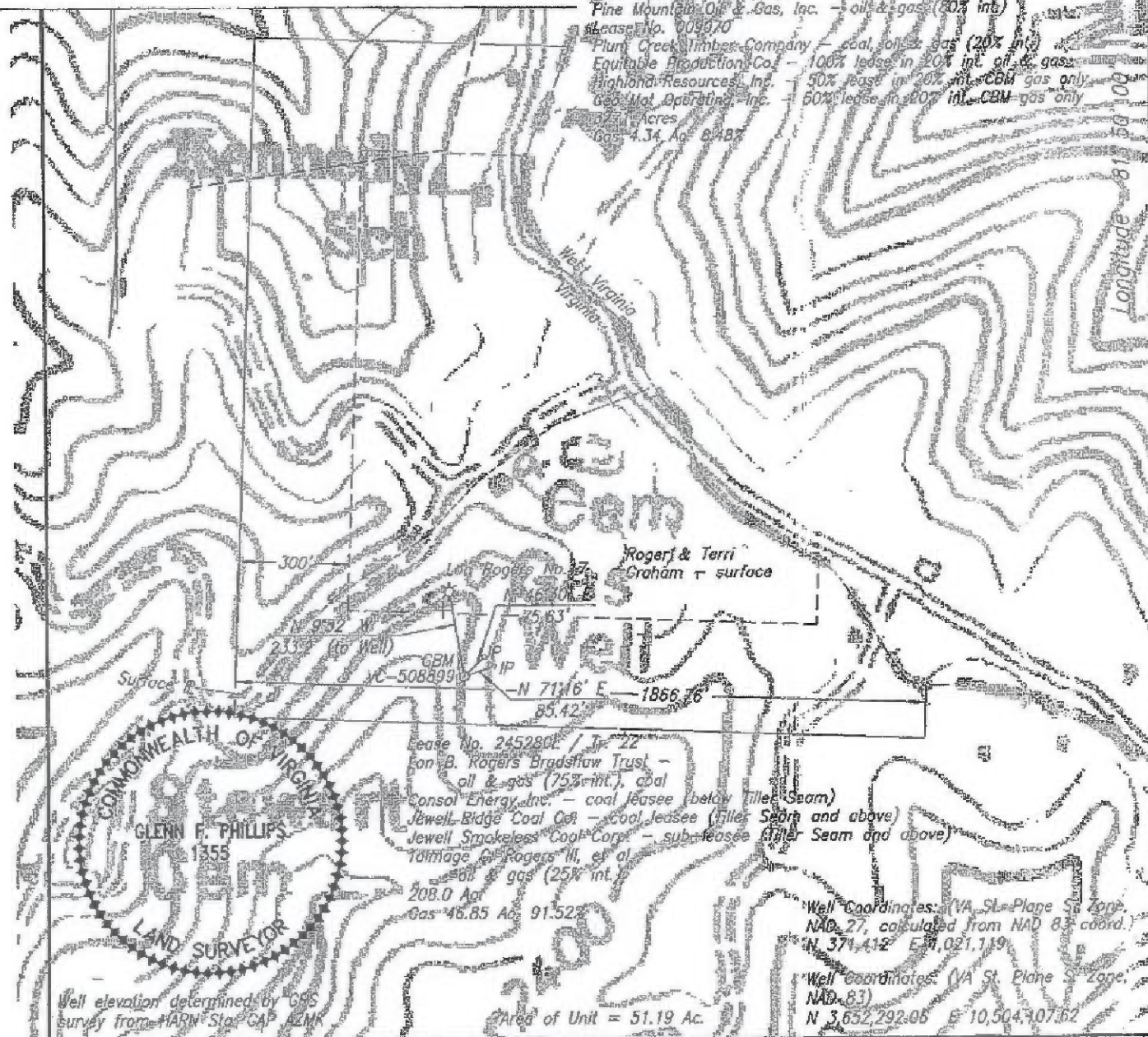
Post-It® Fax Note	7671	Date	# of pages
To		From	
Co./Dept.		Co.	
Phone #		Phone #	
Fax #		Fax #	

9,570

Latitude 37° 20' 00"

Longitude 81° 00' 00"

Lease No. 241490
 Clinchfield Coal Company /
 Exiss Resources Company - coal (80% int.)
 Pine Mountain Oil & Gas, Inc. - oil & gas (80% int.)
 Lease No. 009970
 Plum Creek Timber Company - coal, oil & gas (20% int.)
 Equitable Production Co. - 100% lease in 20% int. oil & gas
 Highland Resources, Inc. - 50% lease in 20% int. CBM gas only
 Gas Mat Operating, Inc. - 50% lease in 20% int. CBM gas only
 2.7 Acres
 Gas 4.34 Ac. 8.48%



COMPANY Equitable Production Company

TRACT NO. 22

COUNTY Buchanan

This plat is a new plat, an updated plat, or a final location plat.

+ Denotes the location of a well on United States topographic maps, scale 1" to 24,000', latitude and longitude lines being represented by border lines as shown.

WELL NAME AND NUMBER YC-508899

QUADRANGLE Bradshaw

SCALE 400' DATE 2-11-2002

Licensed Professional Engineer or Licensed Land Surveyor

Form DQ-00

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EXHIBIT "B"
VC-508899
VGOB 02/01/15-1000

Revised 7/09/2015

<u>TRACT</u>	<u>LESSOR</u>	<u>LEASE STATUS</u>	<u>INTEREST WITHIN UNIT</u>	<u>GROSS ACREAGE IN UNIT</u>	<u>NET REVENUE INTEREST</u>	
<u>Gas Estate Only</u>						
1	Lon B. Rogers Bradshaw Trust No 1 Fon Rogers II Trustee PO Box 22427 Lexington, KY 40522-2427	Leased-EPC 245280L 01 5859-00 Tr. 22	0.686400	35.137500	0.08580000	RI
	Gregory Poulos and Karen Poulos, H/W 1894 Glenwood St NE Palm Bay, FL 32907	Unleased	0.038133	1.952100	0.00476667	RI
	Jason Poulos, single 10870 SW 95th Stree Miami, FL 33176	Unleased	0.038133	1.952100	0.00476667	RI
	Pamela Poulos, single 5000 SW 83rd Street Miami, FL 33143-8510	Unleased	0.038133	1.952100	0.00476666	RI
	Talmage G. Rogers, III and Tracey Rogers, H/W 3014 Shalford Lane Matthews, NC 28104-6879	Unleased	0.028600	1.464100	0.00357500	RI
	Shaun D. Rogers and Nadine Davey Rogers, H/W 121 NE 100th Street Miami Shores, FL 33128	Unleased	0.028600	1.464100	0.00357500	RI
	Kevin H. Rogers and Katherine Rogers, H/W 139 Wickham Road Garden City, NY 11530	Unleased	0.028600	1.464000	0.00357500	RI
	Derek B. Rogers and Anne Rogers, H/W 2300 Carmel Rd Charlotte, NC 28226-6323	Unleased	0.028600	1.464000	0.00357500	RI
	Equitable Production Company				0.80080000	WI
Tract 1 Totals			0.915200	46.850000	0.91520000	

2 Pittston Company Leased - EPC 0.067840 3.472000 0.00848000 R1
 c/o Rine Mountain Oil & Gas, Inc. 241490L
 Attn: Richard Brillhart
 PO Box 5100
 Lebanon, VA 24226

Plum Creek Timber Company Unleased 0.016960 0.868000 0.00212000 RI
 Attn: Kerry Hill
 303 Harper Park Drive
 Suite, A
 Beckley, WV 25801

Equitable Production Company 0.07420000 WI

Tract 2 Totals 0.084800 4.340000 0.08480000

TOTAL GAS ESTATE 1.000000 51.190000 1.00000000

Coal Estate Only

1 Lon B. Rogers Bradshaw Trust No 2 Leased-EPC 0.915200 46.850000 0.11440000 RI
 Fon Rogers II Trustee 245280L
 PO Box 22427 Tr. 22
 Lexington, KY 40522-2427

Equitable Production Company 0.80080000 WI

Tract 1 Totals 0.915200 46.850000 0.91520000

2 Pittston Company Leased - EPC 0.067840 3.472000 0.00848000 R1
 c/o Rine Mountain Oil & Gas, Inc. 241490L
 Attn: Richard Brillhart
 PO Box 5100
 Lebanon, VA 24226

Plum Creek Timber Company Unleased 0.016960 0.868000 0.00212000 RI
 Attn: Kerry Hill
 303 Harper Park Drive
 Suite, A
 Beckley, WV 25801

Equitable Production Company 0.07420000 WI

Tract 2 Totals 0.084800 4.340000 0.08480000

TOTAL COAL ESTATE 1.000000 51.190000 1.00000000

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EXHIBIT "E"
VC-508899
VGOB 02/01/15-1000
Revised 7/09/2015

N/A

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EXHIBIT "EE"
VC-508899
VGOB 02/01/15-1000
Revised 7/09/2015

Gas Estate Only

1	Gregory Poulos and Karen Poulos, H/W 1894 Glenwood St NE Palm Bay, FL 32907	Unleased	0.03813333	1.952100
	Jason Poulos, single 10870 SW 95th Stree Miami, FL 33176	Unleased	0.03813333	1.952100
	Pamela Poulos, single 5000 SW 83rd Street Miami, FL 33143-8510	Unleased	0.03813334	1.952100
	Talmage G. Rogers, III and Tracey Rogers, H/W 3014 Shalford Lane Matthews, NC 28104-6879	Unleased	0.02860000	1.464100
	Shaun D. Rogers and Nadine Davey Rogers, H/W 121 NE 100th Street Miami Shores, FL 33128	Unleased	0.02860000	1.464100
	Kevin H. Rogers and Katherine Rogers, H/W 139 Wickham Road Garden City, NY 11530	Unleased	0.02860000	1.464000
	Derek B. Rogers and Anne Rogers, H/W 2300 Carmel Rd Charlotte, NC 28226-6323	Unleased	0.02860000	1.464000
Tract 1 Totals			0.22880000	11.712500
Total Disbursed			0.2288	11.7125

VIRGINIA: IN THE CIRCUIT COURT OF BUCHANAN COUNTY

GREGORY G. POULOS, JASON G. POULOS,
PAMELA F. POULOS, SHAUN D. ROGERS,
KEVIN H. ROGERS, DEREK B. ROGERS and
T.G. ROGERS, III,

Plaintiffs,

v.

LBR HOLDINGS, LLC,

Defendant.

Case No. 550-13

ORDER

This matter, having come before the Court for hearing on June 2, 2014, on the parties' respective motions for summary judgment, and the Court, having reviewed the written submissions of the parties and having heard oral argument of counsel, and for good cause shown, hereby ORDERS:

1. Plaintiffs' Complaint and Defendant's Counterclaim both request that this Court, pursuant to Virginia Code § 8.01-184, declare their respective rights under the May 27, 1938, deed ("Deed") attached to Plaintiffs' Complaint as Exhibit "A."

2. The Deed includes a conveyance by T. G. Rogers and Martha F. Rogers, his wife (the "Talmage Rogers Group"), and Lloyd Rogers and Anne F. Rogers, his wife (the "Lloyd Rogers Group"), of their interests in certain parcels of property in Buchanan County, Virginia, (the "Property") and McDowell County, West Virginia, to Lon B. Rogers. The Deed specifically recites: "But there is excepted from the above-described property an undivided one-half interest in the oil and gas under said property and the same is reserved to T. G. Rogers and Lloyd Rogers,

parties of the first part, their heirs and assigns, together with the usual and necessary rights of ingress and egress and drilling rights to explore, get and remove said oil and gas.”

3. It is undisputed that Plaintiffs are the successors to the interests of the Talmage Rogers Group under the Deed, and that Defendant, LBR Holdings, LLC (“LBR”), is the successor to the interests of Lon B. Rogers and the Lloyd Rogers Group under the Deed.

4. Plaintiffs seek a declaration that the Deed’s reservation of gas under the Property includes, *inter alia*, coalbed methane gas, and that they are, therefore, the owners of 25% of the coalbed methane gas under the Property and entitled to the associated royalties. LBR, on the other hand, seeks a declaration that the Deed’s reservation of gas under the Property does not include coalbed methane gas, that the Deed, therefore, conveyed coalbed methane gas to Lon B. Rogers, and that LBR, as Lon B. Rogers’ successor-in-interest, is the owner of all the coalbed methane gas under the Property and entitled to the associated royalties.

5. Having examined the reservation language and the “four corners” of the Deed, the Court finds that the Deed is unambiguous and that the Deed’s reservation of “the oil and gas under said property” includes a reservation of coalbed methane gas under the Property. Plaintiffs are, therefore, entitled to prevail as a matter of law.

6. Coalbed methane gas is obviously “gas,” *see Harrison-Wyatt, LLC v. Ralliff*, 593 S.E.2d at 234, 238 (Va. 2004) (coalbed methane “is a gas”); and there is nothing in the Deed that removes coalbed methane or any other type of gas from the scope of the reservation. The language at issue is unlimited, plain, and unambiguous.

7. LBR argues that “the oil and gas” does not mean “all” but only “some” gas. The Court agrees with Plaintiffs, however, that the reservation of “the” gas is not a limited reservation of only some types of gas, but an unambiguous and unlimited reservation of all gas. Such an

interpretation of "the" is in accordance with the ordinary, plain and common sense meaning of the word.

8. LBR also argues that the parties to the Deed would not have intended to include coalbed methane gas in the reservation because, according to LBR, the commercial value of coalbed methane was not known in 1938. LBR presented no evidence in support of this argument and Plaintiffs presented undisputed evidence to the contrary. Regardless, this Court is bound to uphold the unambiguous reservation language, which refers to gas without qualification or limitation, and which, as written, encompasses all types of gas, whether commercially exploitable at the time of the Deed's execution or not.

9. The Court concludes that the arguments and authorities presented by Plaintiffs in their motion and reply brief are well-founded and correct. A ruling in LBR's favor would require the Court to rewrite the Deed, which it will not do. Nor will the Court torture words and phrases or engage in speculation to create an ambiguity where the ordinary meaning of the words leaves no room for ambiguity.

10. There are no issues of material fact in dispute regarding Plaintiffs' ownership of 25% of the coalbed methane gas under the Property. The Court grants Plaintiffs' motion for summary judgment in full and denies LBR's motion for summary judgment in full.

11. This Order constitutes a judicial determination of coalbed methane gas ownership as between Plaintiffs and LBR pursuant to Virginia Code § 45.1-361.22(5)(i) and resolves in Plaintiffs' favor all conflicting claims of coalbed methane gas ownership between Plaintiffs and LBR relating to the Property.

12. Plaintiffs are entitled to receive all coalbed methane gas royalties attributable to their 25% gas estate interest in the Property that are being held in the Virginia Gas and Oil Board's

escrow account or otherwise being withheld from Plaintiffs due to the conflicting claims of coalbed methane ownership between Plaintiffs and LBR. Plaintiffs are also entitled to receive all future coalbed methane gas royalties or other proceeds that are attributable to their 25% gas estate interest in the Property. All such royalties and proceeds shall be divided among the individual Plaintiffs in accordance with their respective percentages of ownership.

SO ORDERED, this the 10th day of July, 2014.


Circuit Court Judge

SEEN AND REQUESTED:


Jennifer L. Shaver, Esq. (VSB# 79047)
Ellis Professional Building, Suite A
211 West Main Street
Abingdon, VA 24210
Telephone: (276) 525-1103
Facsimile: (276) 525-1112
jen@jenshaver.com

Counsel for Plaintiffs

SEEN AND OBJECTED TO FOR ALL THE REASONS DETAILED IN LBR HOLDINGS, LLC'S MEMORANDUM IN SUPPORT OF ITS MOTION FOR SUMMARY JUDGMENT AND RESPONSE TO PLAINTIFFS' MOTION FOR SUMMARY JUDGMENT AND AT THE HEARING; AND ON THE ADDITIONAL GROUNDS THAT TO THE EXTENT THE COURT MAY HAVE CONSIDERED SUBMISSIONS OF EXHIBITS OTHER THAN THE DEED AT

160000138

ISSUE, THE COURT SHOULD HAVE DENIED BOTH PARTIES' MOTIONS FOR SUMMARY JUDGMENT SO THAT BOTH PARTIES WOULD HAVE HAD AN OPPORTUNITY TO DEVELOP AND PROPERLY INTRODUCE SUCH EVIDENCE:



Trevor L. Earl, Esq. (VSB# 37573)

REED WEITKAMP SCHELL & VICE PLLC

500 West Jefferson Street, Suite 2400

Louisville, KY 40202

Telephone: (502) 589-1000

Facsimile: (502) 562-2200

tearl@rwsvlaw.com

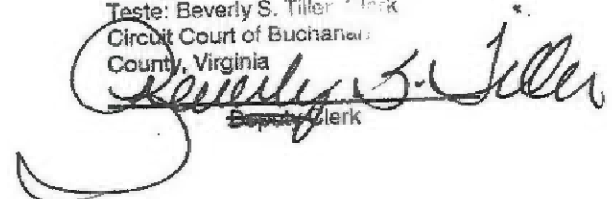


Counsel for LBR Holdings, LLC

INSTRUMENT #160000138
RECORDED IN THE CLERK'S OFFICE OF
BUCHANAN COUNTY ON
FEBRUARY 2, 2016 AT 02:29PM

BEVERLY S. TILLER, CLERK
RECORDED BY: SLP

A Copy
Teste: Beverly S. Tiller, Clerk
Circuit Court of Buchanan
County, Virginia


Deputy Clerk